

**IN THE CHANCERY COURT OF LEWIS COUNTY  
AT HOHENWALD, TENNESSEE**

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IN RE: SENTINEL TRUST COMPANY     ) Case No. 4781  
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**REPORT REGARDING RECEIPT OF PROOFS OF CLAIM  
SUBMITTED TO SENTINEL TRUST RECEIVER**

Through this filing, the Sentinel Trust Receiver provides this Report regarding the receipt of Proofs of Claim received by it. By previous Order of Court, entered on December 15, 2004, the bar date established for all Proofs of Claim as against Sentinel Trust Company, in Liquidation, was July 31, 2005. See copy of Order attached as **Exhibit A**. The results of the Proof of Claim process is that, to the Receiver's initial, good faith review, approximately \$13.4 million of gross, unadjudicated claims have been submitted as potential claims against the Pooled Fiduciary Account. This amount has not been adjudicated and is expected to contain duplicate claims and other amounts which a review and a claim adjudication process will eliminate from the overall total amount. It is still expected that the overall amount of claims, after such review and determination process, will be consistent with the Receiver's position that approximately \$10-11 million of claims might exist regarding monies that should have been on deposit in the Pooled Fiduciary Account. In addition, the Receiver has received gross, unadjudicated claims in the amount of approximately \$47.5 million for principal and interest payments regarding defaulted bonds and/or for general creditors of the Sentinel Trust Receivership estate.

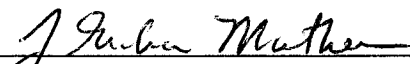
In sum, the Sentinel Trust Receiver reports to the Court that it has received, as a gross, unadjudicated number, approximately \$61 million of claims through the Proof of Claim process.

It is important to note that investigation continues regarding matters relating to numerous claims and that the above-stated gross amounts of claims are unadjudicated, and, to some extent, may present duplicative claims.

It is important also to note that this Report does not constitute an agreement or approval by the Sentinel Trust Receiver as to any claim presented to it. This Report does not constitute the filing envisioned by T.C.A. § 45-2-1504(f), at which point the Commissioner-in-Possession is to include a schedule of determinations regarding the Proofs of Claim presented in the Receivership. Rather, this Report is intended to present to this Court the results (on a gross, unadjudicated basis) of the Receiver's receipt of Proof of Claim filings.

In going forward, the Receiver anticipates that the schedule of determination of claims will be filed within the timeframe set forth in T.C.A. § 45-2-1504(f). Partial distributions would not be considered until after the filing of the schedule of determination of claims. T.C.A. § 45-2-1504(g).

Respectfully submitted,

  
J. Graham Matherne, BPR #11294  
Wyatt, Tarrant & Combs, LLP  
2525 West End Avenue, Suite 1500  
Nashville, TN 37203-1423  
(615) 244-0020

*Counsel for Jeanne Barnes Bryant and Receivership  
Management, Inc., Receiver of Sentinel Company, in  
Liquidation*

**CERTIFICATE OF SERVICE**

This is to certify that on August 29<sup>th</sup>, 2005 a copy of the foregoing Report has been sent by First Class U.S. Mail, postage paid, and also by facsimile transmission as noted, to:

Janet M. Kleinfelter  
Senior Counsel / Financial Division  
Office of the Attorney General  
425 5th Avenue North  
P.O. Box 20207  
Nashville, TN 37243

Carrol Kilgore  
Branstetter, Kilgore, Stranch & Jennings  
227 Second Avenue North, 4<sup>th</sup> Floor  
Nashville, TN 37201  
also via fax (615-250-3937)

Donald Schwendimann  
12 East Fourth Avenue  
P.O. Box 366  
Hohenwald, TN 38462  
also via fax (931-796-5692)

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Knoxville, TN 37901

  
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J. Graham Matherne

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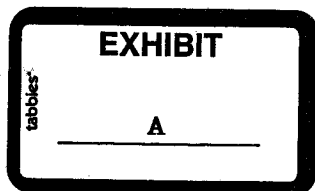
**ORDER APPROVING THE ESTABLISHING OF  
PROOF OF CLAIM BAR DATE AND OTHER MATTERS  
RELATING TO PROOF OF CLAIM PROCESS**

On December 8, 2004, the Sentinel Trust Receiver moved the Court to approve the establishment of a proof of claim deadline and various matters regarding the proof of claim process. This motion came before the Court for hearing on December 15, 2004.

Pursuant to T.C.A. § 45-2-1504, the Receiver recommends a January 31, 2005 deadline by which all known claimants to the Receivership estate will have been sent a proof of claim form, along with information, to the extent available, regarding the amount of the claim as indicated by books and records of Sentinel Trust.<sup>1</sup> Each claimant will have until July 31, 2005 to deliver to the Receiver his/her/its claims as against the Sentinel Trust Receivership estate. Thereafter, the Receiver will review the claims, advise the claimants of determinations and recommendations regarding the claims, including priority issues, and the procedures to follow regarding the Receiver's determination and recommendations.

The Court finds these deadlines and general procedures reasonable and herein approves them, subject to further order of Court.

<sup>1</sup> As provided by previous Orders of Court, successor fiduciaries will be provided Proof of Claim forms with the attendant information for the purpose of filing claims on behalf of bondholders.

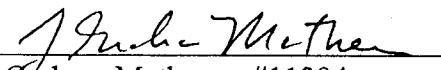


FILED December 15, 2004  
at 10:00 o'clock A. M.  
JANET WILLIAMS, Clerk & Master  
BY Janet Williams

It is so ORDERED, this the 15 day of December, 2004.

  
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Hon. R.E. Lee Davies

Submitted for Approval

  
\_\_\_\_\_  
J. Graham Matherne, #11294  
WYATT, TARRANT & COMBS, LLP  
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(615) 251-6708

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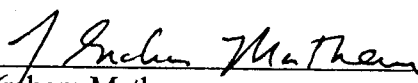
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